PROVINCE OF SASKATCHEWAN

09-10

ANNUAL REPORT

MINISTRY OF FIRST NATIONS AND MÉTIS RELATIONS

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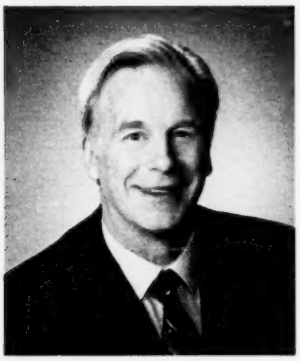
This annual report is also available in electronic format from the Ministry's website at **http://www.fnmr.gov.sk.ca**

Letter of Transmittal - Minister



July 2010

His Honour, The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor, Province of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Ministry of First Nations and Métis Relations for the fiscal year ending March 31, 2010.

The Government of Saskatchewan is committed to delivering and building on its promises to Saskatchewan people. Two of those promises are a commitment to increased transparency and accountability and to responsibly manage expenditures. This report will provide details on the progress made in this regard.

A significant number of commitments were made to Saskatchewan people in the Government's first two years of holding office. These include commitments made and promises kept in the election platform, the fall 2009 Speech from the Throne, the Ministers' 2007 mandate letter, and the 2009-10 Budget. The 2009-10 Annual Report demonstrates progress towards the commitments that relate to this Ministry as of March 31, 2010.

Government has defined its direction for ministries and has communicated this direction through vision and goals released with the 2009-10 Budget. Ministries have aligned with this direction and have developed strategies and actions to help deliver on the Government's plan for a budget that is strong and steady.

The initiatives pursued in 2009-10, and the results achieved, are communicated to the legislature and to the Saskatchewan people through this report. The results achieved within the Government's second year provide a foundation for establishing priorities and influencing the activities of future Governments. Therefore, the annual reports are not only an important accountability document, but they can help to inform future planning and resource allocation in the upcoming years.

As my ministry staff and I work toward the goals set by the Government, we ensure that we are responsibly managing our expenditures.

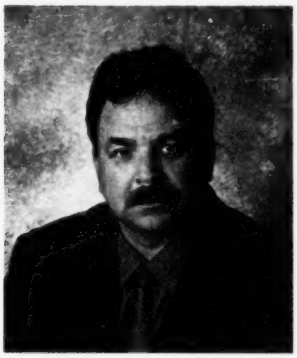
The Honourable Bill Hutchinson

Minister of First Nations and Métis Relations

Bill Hutchinson

Minister Responsible for Northern Affairs

Letter of Transmittal - Chair



June 29, 2010

The Honourable Bill Hutchinson
Minister of First Nations and Métis Relations

Dear Sir:

I have the honour of submitting the Annual Report of the Ministry of First Nations and Métis Relations for the fiscal year ending March 31, 2010. As the official responsible for presenting this report to you, I want to assure you the information is accurate and reliable.

I acknowledge that I shoulder the responsibility for the financial administration and management control of this ministry.

Ron Crowe

Deputy Minister of First Nations and Métis Relations

Introduction

This annual report presents the Ministry's activities and results for the fiscal year ending March 31, 2010. It reports on public commitments made, and other key accomplishments of the Ministry.

With the release of the Ministry Plan for 2009-10, results are provided on the publicly committed strategies, actions and performance measures identified in the Plan.

It also reports on government commitments as stated in the Government Direction for 2009-10, the Minister's 2007 Mandate letter, throne speeches and other commitments.

The 2009-10 Annual Report sets the stage for future planning and budgeting processes by providing an opportunity to assess the accomplishments, results, and lessons learned, and identifying how to build on past successes for the benefit of Saskatchewan people.

Alignment with Government's Direction

The Ministry's 2009-10 Annual Report aligns with Government's vision and three goals:

Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

Government's Goals:

- Sustain Economic Growth for the benefit of Saskatchewan People, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.
- Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.
- Keep Government's Promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Together all ministries and agencies support the achievement of Government's goals and work towards a secure and prosperous Saskatchewan.

To support the Government's goal of growth, the Ministry established three Enterprise Regions in the north that will develop regional approaches to economic development. The Ministry also aided in streamlining the approval process surrounding the establishment of new northern mining surface leases, and continued to include in the leases the criteria that mining companies use their best efforts to increase northern employment and use northern suppliers. In the interests of growth and informed public input, the Ministry promotes broad northern awareness and understanding of mineral development.

The Ministry aids in meeting the goal of keeping Government's promises by fulfilling the Province's land claim obligations with First Nations. In addition, the Ministry is leading

Alignment with Government's Direction

negotiations on behalf of the Government of Saskatchewan with the Federation of Saskatchewan Indian Nations and Canada to fully implement Jordan's Principle. The implementation of Jordan's Principle will ensure that all Saskatchewan First Nations children with complex medical needs receive the same services as other children in the same geographic area.

Ministry Overview

Mandate

The Ministry strengthens relationships between First Nations and non-First Nations people in the spirit of the Treaties and ensures that First Nations and Métis peoples are consulted on provincial legislation and policies that may impact their legal rights and interests. The Ministry works with and beside First Nations, Métis and northern peoples, other provincial ministries, the federal government, local governments, and business to ensure that Saskatchewan Aboriginal people and northerners have opportunities to participate in and benefit from economic and social development.

Structure

The Ministry currently has four major areas:

- First Nations and Métis Affairs Division;
- Northern Affairs Division;
- Communications; and
- Finance, Accountability and Corporate Services.

The ministry's organizational chart provides more details on page 28.

Office and Employee Locations

To carry out the Ministry's programs and services, the Ministry had approval to employ 73 staff in permanent offices located in Regina and La Ronge, as well as two field offices in Buffalo Narrows and Creighton. The actual fulltime equivalent (FTE) utilized was 66.4. Given normal staffing turnover, coupled with fiscal restraint requirements, an average of 6.6 positions remained vacant at any point in time throughout the year.

Key Programs and Services

The Ministry's key areas of focus are related to strengthening Government's relationships with First Nations, Métis and northern people and communities to support and increase their participation in the social and economic life of Saskatchewan.

(continued)

Ministry Overview

In 2009-10 the Ministry of First Nations and Métis Relations (FNMR) fulfilled its mandate in the following ways:

- Provided government oversight for effective consultation and accommodation policy and participation, and provided funding support to First Nations and Métis groups to enable participation in Government consultations on actions that may impact their rights and interests.
- Worked with the Federation of Saskatchewan Indian Nations (FSIN) on areas of mutual interest under the Bilateral Protocol Agreement.
- Worked with the Métis Nation – Saskatchewan (MNS) executive to rebuild the MNS provincial relationship.
- Facilitated creation and maintenance of relationships with stakeholders in support of northern economic and sector development.
- Administered the Northern Saskatchewan Environmental Quality Committee (NSEQC) (which represents 32 northern communities impacted by uranium mining) as it monitors and comments on uranium mine developments, and also chairs the supporting Northern Mines Monitoring Secretariat.
- Administered Saskatchewan's legal obligations with respect to the distribution of casino gaming profits to the First Nations Trust (FNT), Community Development Corporations (CDC) and Métis Development Fund or Clarence Campeau Development Fund (CCDF), pursuant to legislative requirements and Gaming Framework Agreement (GFA).
- Administered Saskatchewan's legal obligations pursuant to the Treaty Land Entitlement (TLE) Settlement Agreements.
- Provided financial assistance to First Nations and Métis businesses through First Nations and Métis Business Development Program initiatives to create involvement in growth sectors of the Province's economy.
- Through the Aboriginal Grants Initiative, provided grants to organizations in support of preserving, celebrating and promoting First Nations and Métis history and culture, and by building capacity for First Nations and Métis organizations.
- Provided business and development services to northern businesses, co-operatives, local and regional development entities and entrepreneurs.
- Delivered loans and grants through the Northern Development Fund (NDF), designed to support northern businesses, entrepreneurs, industries, and regional development corporations (RDCs).
- Worked with northerners to create three Enterprise Regions in Northern Saskatchewan, which replaced the RDCs, effective March 31, 2010.
- Provided funding support to the commercial fishing industry in northern Saskatchewan through a freight subsidy and a limited price support mechanism.
- Administered government's mineral surface lease agreements and monitored mining developments in the North.
- Conducted research, identified, analyzed, and developed strategies and policies, and programs to encourage northern business and employment and viable northern economic regions.

Progress in 2009-10

This report provides performance results related to the Government's strategic priorities as identified in the Minister's Mandate letter, throne speeches, the 2009-10 Budget, the Ministry's 2009-10 Plan, in addition to other key activities.

The Ministry of First Nations and Métis Relations supports the Government's goal to Sustain Economic Growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development

Provide government oversight for effective consultation and accommodation policy and participation

Results:

- Continued to lead development of a new *Government of Saskatchewan First Nations and Métis Consultation Policy Framework* (CPF) (see details below). (Mandate Letter 2007)
- It is anticipated that a new CPF will be introduced in 2010-11. Once implemented, the CPF will protect the rights and interests of First Nations and Métis; advance relationships among government, industry and First Nations and Métis; and result in economic development opportunities, certainty, predictability and a stable investment climate benefiting all Saskatchewan residents.
- Until a new consultation policy is implemented, the Province continues to meet its legal obligations to consult with First Nations and Métis based on the Government of Saskatchewan Interim Guide for Consultation with First Nations and Métis People, January 2008.
- FNMR supported colleague ministries in strengthening their relationships with First Nations and Métis people through the development of the Consultation Policy Framework including the ministries of Environment, Energy and Resources, Municipal Affairs, Agriculture, Highways and Infrastructure, Tourism, Parks, Culture and Sport, Justice and Attorney General and the Saskatchewan Watershed Authority.
- FNMR provided government oversight for effective consultation and accommodation policy and participation, and provided funding support to First Nations and Métis groups to enable participation in Government consultations on actions that may impact their rights and interests.
- The government committed to address a number of issues raised at the 2008 Roundtable on First Nation and Métis Consultation that are not being dealt with in the CPF. These issues are: 1) economic benefit sharing; 2) consultation capacity; 3) environmental stewardship; 4) traditional use and territory mapping; and 5) dispute resolution. During the year, the Ministry continued to work on developing a process for implementation in 2010-11. The process will be practical and results-based, credible with all parties, confined to the five outstanding Roundtable issues, manageable and cost effective.

Measurement Results:

Progress on developing a New Consultation Policy Framework

In developing the new policy, the Ministry is considering input from First Nations, Métis and industry and other stakeholders received at the 2008 Roundtable on First Nations and Métis Consultation and Accommodation, meetings with First Nations, the Métis Nation and industry, a number of papers from First Nations, Métis and industry groups, and court rulings, as well as provincial policy dealing with government decision-making authority and jurisdiction.

A report on the outcomes of the 2008 Roundtable is available online at *www.fnmr.gov.sk.ca*.

Progress in 2009-10

In addition, written feedback provided by several respondents to the December 2008 draft consultation policy is being taken into consideration. The Federation of Saskatchewan Indian Nations (FSIN) and the Métis Nation-Saskatchewan (MNS) responded by rejecting the December 22, 2008 draft policy.

Overall, written feedback to the 2008 draft consultation policy included:

- 8 Saskatchewan First Nations: English River First Nation, Big Island Lake Cree Nation, Beardy's and Okemasis First Nation, Red Earth Cree Nation, Birch Narrows Dene Nation, Gordon First Nation, Sweetgrass First Nation, Moosomin First Nation
- 2 Alberta First Nations: Cold Lake First Nation(s) and Athabasca Chipewyan First Nation
- 2 Treaty Groups : Treaties 4 and 6
- The FSIN (In addition to the rejection, we received a list of their legal principles for consultation)
- The MNS (the MNS' Statement of Principles on Métis Consultation and Accommodation and Draft Métis Consultation Policy)
- 2 municipal organizations: Saskatchewan Urban Municipalities Association and Saskatchewan Association of Rural Municipalities
- 7 industry representatives: Canadian Association of Petroleum Producers (CAPP), Enbridge, Saskatchewan Mining Association (SMA), Saskatchewan Chamber of Commerce, Husky Energy, Small Explorers and Producers of Canada, Weyerhaeuser
- 1 individual (University of Manitoba)

Release of the CPF was moved from Fall 2009 to Spring 2010, pending policy discussions with the FSIN and MNS in March 2010.

Baseline/Trend Line Information:

- FNMR engaged Saskatchewan First Nations, Métis, industry and key stakeholders at the Roundtable conference on First Nations and Métis Consultation and Accommodation in May 2008 and then held a number of summits and meetings with First Nation and Métis leaders.
- FNMR released the Draft First Nations and Métis Consultation Policy Framework on December 22, 2008 to all First Nation, Métis, industry and stakeholder leaders for review.

Support for First Nations and Métis organizations through the First Nations and Métis Consultation Participation Fund

The First Nations and Métis Consultation Participation Fund provides assistance to First Nations and Métis to participate in consultations where government activities, decisions, actions may potentially impact Treaty or Aboriginal rights. Funding is based on applications that fall within the criteria. The fund has offset costs related to government consultations, such as community meetings, traditional land use studies, and consultation co-ordination, participation, information interpretation and translation costs. Activities that generally trigger the duty to consult include:

- new legislation, policy or plans that may limit or alter the use of Crown lands and renewable resources;
- decisions that limit or alter quality and quantity of fish and wildlife or access to these resources;
- decisions related to harvesting and processing of timber or extraction and production of minerals on Crown surface lands;
- actions that restrict the use of unoccupied Crown land, for example through lease, grant or sale;
- land use planning and approvals for environmental protection.

There were fewer funding requests in 2009-10 than in previous years. The Ministry has little influence over this measure as the level of economic activity in the Province is a significant driver of demand for the fund and

the level of fund expenditures. The pressures on and allocations from the fund reflect trends in exploration and development and government regulatory change. It is evident that there has been less economic activity this year, resulting in fewer consultations being funded. With the economy picking up, exploration and development activities increasing, and a number of major regulatory reviews scheduled for 2010-11, demands on the fund are expected to increase in the future.

During the year, the Ministry worked on revising the criteria for approving grants under the fund in an effort to increase accountability, allow for more practical access by First Nation and Métis groups, and ensure consistency with the new CPF. New criteria will be released in 2010-11.

Fiscal Year	Grant Amount	# of Applications Supported
2009-10	$375K	11
2008-09	$1.98M	44
2007-08	$1.1M	19

Source: FNMR Consultation Branch

Advance economic development for First Nations, Métis and Northern people

Results:

Northern Enterprise Regions

- Undertook consultations on the Enterprise Region (ER) Program throughout the north during the months of April – July 2009, with a $300,000 developmental budget.
- Based on the consultations, three ERs were recommended for program effectiveness and economic development success in the north.
- Support was secured from a variety of business and community leaders throughout the north and three stakeholder working groups for the initiative were established.
- Requests for proposals were developed and issued, and consultants were selected by each of the ERs to facilitate the development of strategic and operational plans and to establish the ERs as corporate entities with an interim board of directors.
- Names were chosen by the respective Enterprise Regions: Boreal West (West side area); Churchill River (Central and East side areas); and Athabasca (Athabasca Basin area).
- Applications for funding to form an ER were submitted by each of the three stakeholder working groups to FNMR by March 31, 2010.
- The Regional Development Corporation Program was discontinued as of March 31, 2010 (it was replaced by the ER Program).

Northern Development Fund

The NDF has provided various supports and services to northern businesses since its inception in 1995 as one element of a broader provincial government response to key priorities raised during a federal-provincial panel review of proposed new uranium mining developments in the North.

In 2009-2010, the Fund provided the following assistance to northern entrepreneurs:

- Primary Production Loans
  - Approved 27 loans for a total of $201,364 to support commercial fishing, trapping and wild rice harvesting opportunities.
  - Average loan amount was $7,458.
- Grants
  - Approved 19 grants for a total of $173,981 to support entrepreneurship and business development through providing assistance with marketing, promotion, research and development, business skills and organizational development and youth entrepreneur program.

Saskatchewan First Nations and Métis Business Development Program

- 26 grants were provided for a total of $427,000 to assist First Nations and Métis people with entrepreneurial and economic

activities.

- 2 Service Grants totaling $100,000 were provided to the Saskatchewan Indian Equity Foundation ($60,000) and Clarence Campeau Development Fund ($40,000).

Support for Northern Resource Sectors

- Fulfilled legal duty to consult regarding proposed changes to mine surface leases, and ensured leases addressed environmental and public safety issues.
- Continued to work with industry, stakeholders, and other ministries to identify employment growth opportunities in key northern industry sectors. Such work included ongoing analysis and discussions with trappers as to possible eco-tourism and other related 'experiences' that could be offered by members of this traditional industry.
- Provided technical assistance concerning registrations, membership questions, annual filings, and board operations for resource-based co-operatives to build capacity at the grassroots level in northern communities.
- Provided technical advice and financial support to Saskatchewan Co-operative Fisheries Ltd., in support of its efforts to transition the Saskatchewan commercial fishery to an open, competitive market that will include revitalized Saskatchewan fish processing and export marketing capacity.
- Provided $233,000 in support payments to 414 fishers through the Commercial Fish Transportation Subsidy and Price Support Program.

Strengthen the investment framework for northern industry

Results:

Northern Mines and Benefits Unit, Northern Mineral Development Projects

- Helped organize and assist the delivery of public meetings, June 24 – 26, 2009, in the three Athabasca communities of Stony Rapids, Fond du Lac and Wollaston to gain local residents' input concerning the findings and recommendations of the Uranium Development Partnership report.
- Supported and worked with the NSEQC, a body of community-nominated representatives who monitor uranium developments in northern Saskatchewan, offered feedback to industry and to government regulators, and provided informed perspectives on behalf of and to community leaders.
- Fostered communication between the uranium industry, government, and northern communities, leading to better-informed decisions concerning the sector.
- Completed negotiations of a new surface lease for a new gold mining development north of La Ronge (Jolu Development Corp.)
- Completed negotiations to amend the surface lease for the Seabee mine northeast of La Ronge to include a new gold deposit.
- Completed negotiations for the release of five satellite sites (of 74 sites comprising the overall Beaverlodge surface lease) into the Institutional Control of the Province.
- Environment and First Nations and Métis Relations have streamlined the approvals process surrounding the establishment of new northern mine surface leases and their administration to shorten the amount of time it takes for a mining company to secure an approved surface lease.

Supports for Traditional Resource Sectors

- FNMR, with Environment and Enterprise Saskatchewan, continued to provide technical advice and financial support to Saskatchewan Cooperative Fisheries Ltd.'s development of a revised business plan (and preparation of a related revised Offering Memorandum for investors). These efforts will assist in the transformation of Saskatchewan's commercial fishing industry from a monopoly dependent on the external processing and marketing of our fish for export, to an open market that would include a return of Saskatchewan-based fish processing capacity.

Progress in 2009-10

- Advocated and supported Saskatchewan's formal communication to the federal government of our intent to exit the 1969 Freshwater Fish Marketing Agreement to enable Saskatchewan commercial fishers to be free from monopoly arrangements governing the processing and marketing of their catches for export.
- Continued meeting with the Northern Saskatchewan Trappers Association and the University of Saskatchewan's Community – University Institute for Social Research to: (1) investigate the feasibility of incorporating ecotourism options with trapping activities, to diversify and strengthen economic outlooks for the sector; and (2) establish community gardens as a means to strengthen northern communities' viability and self-reliance.

Engage First Nations, Métis and Northern people in the provincial workforce

Results:

- In conjunction with Northern Labour Market Committee partners (northern industry, First Nations and Métis partners, and governments) identify and plan initiatives to strengthen northern youth proficiencies in math and science. While no specific initiatives were identified, FNMR began work with Education and Advanced Education, Employment and Labour to frame a strategy to address the 'gap' between the educational achievement of First Nations and Métis youth compared to their cohorts throughout the rest of the Province.
- Through mine surface lease requirements, FNMR continued to encourage mining companies operating on Crown land in northern Saskatchewan to use their best efforts to train, recruit and employ northern labour, and to procure goods and services from northern suppliers. Furthermore, the companies are required to negotiate a Human Resource Development Agreement and yearly plans on labour force development (filed with Advanced Education, Employment and Labour).
- In June 2009, 305 representatives from industry, government, education (K-12 and Post-Secondary) and First Nations and Métis Aboriginal Employment Development (AED) partners attended the Provincial Aboriginal Representative Workforce Council (PARWC) Conference to network and share information on employment initiatives and best practices.
- Since its inception in 1995 to March 31, 2009, AED has promoted and supported its partners who have reported:
  - 4,460 accumulative hires
  - 44 Representative Workplace Coordinators
  - Work-based skills training to 1,996 Aboriginal employees
  - Aboriginal awareness training to 36,842 employees at all levels in workplaces
- Since 1995, AED grants have leveraged approximately $4,070,000 from other federal and provincial sources.
- The AED Program was cancelled on March 24, 2010 as part of the 2010-11 provincial budget. Aboriginal employment continues to be a priority of the government and considerable resources are being dedicated to address First Nations and Métis engagement in the labour force through skills development, employment readiness, and training. The newly created Ministry of Advanced Education, Employment and Immigration now leads this critical work.

Measurement Results:

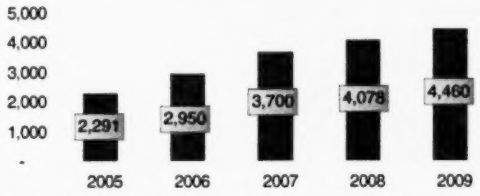
Number of First Nations and Métis people hired by AED partner employer organizations

The AED program helped to increase employment and training opportunities through partnerships involving First Nations and Métis organizations, unions and public and private sector employers. The Ministry signed 13 partnerships in the 2009-10 fiscal year including IBM Canada, Touchwood Hills (Kawacatoose) Tourism Partnership, Areva

Progress in 2009-10

Resources Canada, three Northern School Divisions and the Community of Battlefords Partnership. AED partners reported hiring 382 Aboriginal people from April 1, 2008 to March 31, 2009.

Number of First Nations and Métis people hired by AED partners

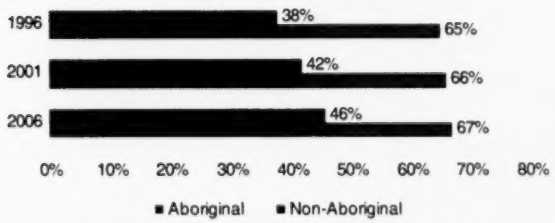


Source: FNMR-AED data from information provided by partner employer organizations

Aboriginal and non-Aboriginal employment rate

The employment rate is affected by the availability of jobs and the suitability of the population to take those jobs. The employment gap between Aboriginal and non-Aboriginal adults has narrowed from 27 percent to 21 percent from 1996 to 2006 respectively. Due to timeliness of data availability, the Ministry has chosen not to continue using this measure in its annual report and 2010-11 plan.

Aboriginal and non-Aboriginal employment rate

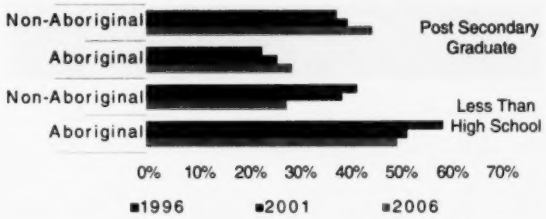


(Table based on Statistics Canada Census data – Sasktrends Monitor, Selected Demographics and Economic Characteristics of the Aboriginal Population in Saskatchewan, prepared for the Saskatchewan Ministry of Justice and Attorney General, January 2009.)

Educational Attainment by Aboriginal and non-Aboriginal population

The levels of completed education are rising in the Aboriginal and non-Aboriginal populations in Saskatchewan. However, the gap between the two is widening. Although the Ministry's direct influence on this outcome is limited, this is a key government-wide economic and social interest that is monitored by the Ministry. Due to timeliness of data availability, the Ministry has chosen not to continue using this measure in its annual report and 2010-11 plan.

Educational Attainment by Aboriginal and non-Aboriginal population



(Table based on Statistics Canada Census data – Sasktrends Monitor, Selected Demographics and Economic Characteristics of the Aboriginal Population in Saskatchewan, prepared for the Saskatchewan Ministry of Justice and Attorney General, January 2009.)

Employment and Contracts at Northern Mines

Averaged through four quarters in 2009, northern residents held 855 jobs directly with northern mining companies, and accounted for an additional 538 positions with long-term contractors – 49.9 percent of all such jobs.

For 2008, the latest full year for which complete figures are available, northern mining operations purchased 46 percent of their goods and services from northern suppliers and joint ventures totaling $293 million. Payroll to northern employees in that year totaled $63 million.

Foster economic and social development through the gaming agreements

Progress in 2009-10

Results:

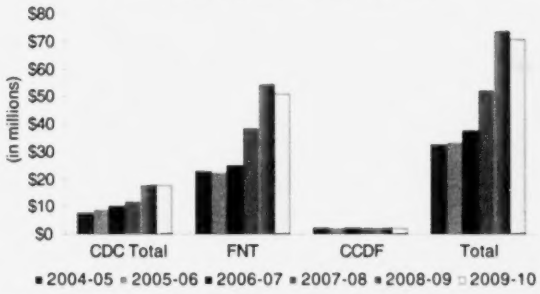
- Monitored and managed the Province's obligations under the First Nations Gaming Agreement with respect to the FNT and CDCs.
  - Distributed $52.20 million to the FNT and CDCs, representing 25 percent of the annual net profits of the two casinos operated by the Saskatchewan Gaming Corporation (Casino Regina and Casino Moose Jaw) and 50 percent of the annual net profits of the five on-reserve casinos operated by the Saskatchewan Indian Gaming Authority, Bear Claw Casino on the Whitebear First Nation near Carlyle, Painted Hand Casino in Yorkton, Northern Lights Casino in Prince Albert, Gold Eagle Casino in North Battleford, Dakota Dunes Casino on the Whitecap Dakota First Nation south of Saskatoon.
  - Distributed $17.88 million to five CDCs, Bear Claw Community Development Incorporated, Painted Hand Community Development Corporation, Northern Lights Community Development Corporation, Battleford Agency Tribal Chiefs Community Development Corporation and the Dakota Dunes Community Development Corporation, representing 25 percent of the annual net profits earned by the on-reserve casinos.
- Monitor and manage the Province's obligations under the Saskatchewan Gaming Corporation Act and the agreement between the Province and Métis Nation – Saskatchewan with respect to the Métis Development Fund (MDF) or CCDF.
  - Distributed $2 million to the CCDF for the delivery of the MDF, designed to support business and community development and management skills for Métis-owned businesses and entrepreneurs.
- FNMR completed some preliminary work with the Ministry of Tourism, Parks, Culture and Sport to create a new formula under which the CCDF receives funding from provincial gaming revenues.
- More information on the Gaming Agreements can be found at http://www.fnmr.gov.sk.ca/gaming/.

Measurement Results:

Gaming Payments

This graph measures the dollars that are provided to First Nations and Métis from gaming. These dollars are used for economic, social and other charitable purposes in all Saskatchewan First Nation communities and the areas surrounding the First Nation casinos.

Gaming Payments 2004-2010



Source: FNMR, Gaming Trust and Grants Branch

The Ministry of First Nations of Métis Relations supports the Government's goal to keep Government's Promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan by:

Fulfilling the province's land claim obligations with First Nations

Results:

- In 2009-10, the Ministry kept the Government's promise to fulfill its TLE obligations to Canada for First Nations by undertaking negotiations of two new TLE agreements with Canada and Mistawasis First Nation and Big Island Cree Nation.

Progress in 2009-10

- The Ministry also continued to coordinate the implementation of TLE Agreements with 33 Entitlement First Nations (EFNs) and make payments under the TLE agreements, including tax loss compensation payments as required.

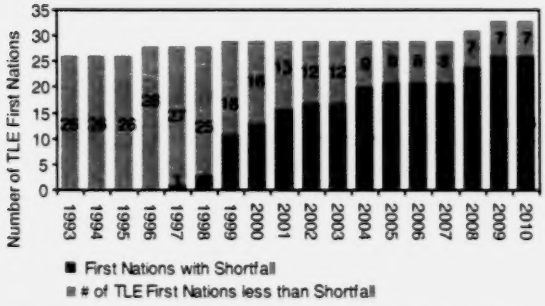
Measurement Results:

Treaty Land Entitlement First Nations that have achieved their shortfall acres

Progress related to this measure is a key indicator of the Ministry's success in ensuring that all provincial obligations related to TLE are fulfilled. The reserve creation process is complex and requires the cooperation of the provincial and federal governments and the Saskatchewan EFN.

Through the TLE Settlement Agreements, 33 First Nations must acquire at a minimum the amount of land that should have been received at the time of Treaty signing for reserve creation purposes. This is known as "shortfall acres" and each EFN has a different set amount. The EFNs must acquire and transfer their shortfall acres to reserve status before the Treaty obligation to land will have been met. To date, 26 of the 33 EFNs have obtained their shortfall acres since the signing of the *Saskatchewan Treaty Land Entitlement Framework Agreement in 1992* and subsequent TLE Settlement Agreements. The total combined shortfall acreage for the 33 EFNs is 547,677 acres and the 26 EFNs that have achieved this goal account for 445,630 acres or 81 percent.

First Nations with Shortfall Acres



Source: FNMR-TLE tracking system, based on schedules provided by Indian and Northern Affairs Canada (INAC)

TLE reserve acres created since 1992

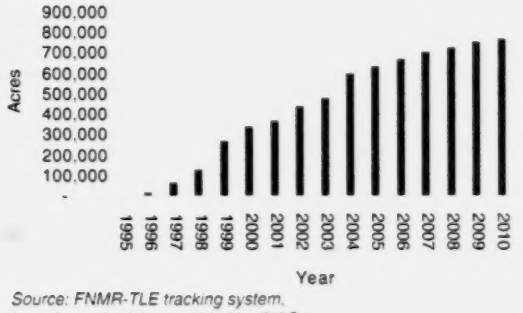
The chart below shows the amount of land acquired and transferred to reserve status (reserve acres) each year since the *Saskatchewan Treaty Land Entitlement Framework Agreement was signed in 1992.*

Reserve creation began in 1994. The total amount of land that has been transferred to reserve status under the TLE Settlement Agreements is 767,180 acres with a current potential of 2.3 million acres to transfer to reserve status. The 2.3 million acres accounts for the maximum amount of acres that all 33 EFNs may acquire for reserve creation purposes. Shortfall acres are the minimum amount that must be acquired and transferred to reserve status.

All three parties to the TLE Agreements have a role in addressing outstanding issues prior to the transfer of lands to reserve status. The Ministry serves as a single window into the provincial government and coordinates requests pursuant to the TLE Agreements and is responsible to ensure that all provincial interests have been addressed prior to reserve creation.

This measure, along with the previous measure, are key indicators for the Ministry's success in ensuring that all provincial obligations related to TLE are fulfilled.

TLE reserve acres created since 1992



Source: FNMR-TLE tracking system, based on schedules provided by INAC

Progress in 2009-10

Strengthen partnerships with First Nations, Métis and Northern people, and the federal government to address social and economic issues and opportunities

Results:

Bilateral Protocol with the FSIN

- The Ministry provided $125,000 to the FSIN to support the activities of the Bilateral Protocol as a means of ensuring open communication and a joint effort to address the many opportunities and challenges facing First Nations. (Mandate Letter 2007)
- Saskatchewan sits as an observer at the Treaty Table. The Treaty Table was established in 1997 to provide a forum for Canada and the FSIN, representing First Nations interests, to discuss Treaty and the treaty relationships. The Office of the Treaty Commissioner (OTC) facilitates discussion and works with the Treaty Table to assist in resolving issues that affect the treaty relationship including economic independence, First Nations citizenship and governance, justice, education and child welfare and health.
- Continued to participate with the Ministry of Health, Canada and the FSIN at a Steering Committee level and working groups to develop a Memorandum of Understanding (MOU) on First Nations Health and Well-being.

MNS Bilateral Process and Tripartite Agreements

- The Ministry provided $100,000 to the MNS to support the activities of the Bilateral Process as a means of ensuring open communication and a joint effort to address the many opportunities and challenges facing Métis people and facilitate positive bilateral relations with the Government of Saskatchewan. (Mandate Letter 2007)
- In addition, the Ministry provided $285,000 to the MNS, which leveraged $285,000 from the federal government, to address Métis governance issues through the tripartite work plan.
- Worked with the Office of the Federal Interlocutor – Indian and Northern Affairs Canada (OFI-INAC) and the MNS to address Métis issues in the tripartite work plan.
- Supported the development of a Métis Economic Development Strategy and Workplan in cooperation with the OFI-INAC, the MNS, CCDF, the Saskatchewan Métis Economic Development Corporation and Enterprise Saskatchewan.
- Participated in a December 2009 Métis Economic Development Symposium hosted by OFI-INAC in cooperation with the Métis National Council and its provincial affiliates.
- Continued to support the work of the Ministry of Tourism, Parks, Culture and Sport with the MNS and other organizations to honour the Trails of 1885. (2009 Speech from the Throne)
- Conducted research and provided the rationale for the Premier's declaration of 2010 as the Year of the Métis. (2009 Speech from the Throne)

Jordan's Principle

- Jordan's Principle is a child-first principle developed in memory of Jordan Anderson, a First Nations child from Manitoba's Norway House Cree Nation. Jordan was born with severe multiple disabilities and was placed in the care of the province since his family and community did not have the resources to care for him. He died in hospital while the federal government and the Government of Manitoba argued over which government was financially responsible for the services Jordan needed.
- In September 2009, representatives from the Government of Saskatchewan, the federal government and the FSIN announced the development of a joint document called Interim Implementation of

Progress in 2009-10

Jordan's Principle in Saskatchewan. (2008 Speech from the Throne)

- The Ministry leads negotiations on behalf of the Government of Saskatchewan to fully implement *Jordan's Principle* with the federal government and the FSIN. The final implementation agreement would ensure that all Saskatchewan First Nations children with complex medical needs receive similar services as other children in the same geographic area. (2008 Speech from the Throne)

Meadow Lake First Nations Self-Government Negotiations

- The Ministry leads the provincial team in self-government negotiations with the federal government and Meadow Lake First Nations.

Inter-ministerial Relations

- Supported other ministries' consultations with First Nations and Métis peoples on policy issues that have the potential to impact their jurisdiction, examples include:
  - H1N1 Pandemic Preparedness Planning
  - Uranium Development Partnership Report Public Consultation Process
  - Child Welfare Review
- Participated in the Human Services Integration Forum (Steering Committee and Policy Committee) to promote collaboration across government for improved prevention programming and integrated human services delivery that strengthens community capacity, particularly for people living in vulnerable circumstances.
- Provided strategic advice to other ministries and analysis of provincial policy initiatives on urban Aboriginal issues, cultural policy, housing, environment, municipal policy, education policy, Aboriginal employment readiness, violence against women, child abuse and other issues.
- Coordinated $100,000 in contributions from seven ministries, including FNMR to support an Urban Aboriginal Peoples Study by Environics Institute. The results of the survey will assist government in better understanding the experiences, aspirations and identities of urban Aboriginal people. It will generate material that will provide increased understanding of what is leading urban Aboriginal people towards success, autonomy and spiritual meaning, and barriers impeding success. This information will be a significant benefit to policy makers.
- Chaired the Inter-Ministry Committee on Urban Aboriginal issues which engages 12 provincial ministries in providing analysis, policy and program coordination and support on issues affecting urban Aboriginal people in Saskatchewan.
- The Ministry sits on the oversight committee (ex-officio) of the Aboriginal Health Transition Fund that reviews work and proposals to improve the way health services are provided to First Nations, Inuit and Métis people. The Ministry of Health receives a portion of the federal funding envelope and administers the fund in Saskatchewan.
- Coordinated sponsorship funding of $132,500 from the Government of Saskatchewan to the National Aboriginal Achievement Foundation (NAAF) for the 2010 National Aboriginal Achievement Awards.
- Approved funding for 58 grants to 48 provincial organizations totaling $224,000 to support a variety of First Nations, Métis and northern events, projects and other initiatives aimed at preserving, celebrating and promoting First Nations and Métis history and culture, capacity building, youth leadership, literacy, addressing women's concerns and honouring Aboriginal veterans.
- Continued to support the work of the Ministry of Tourism, Parks, Culture and Sport, First Nations leadership and Elders to establish a First Nations cultural centre that will serve as a keeping house for important sacred and ceremonial artifacts. (Mandate Letter 2007)

Progress in 2009-10

Develop new partnerships with the federal government to address First Nations and Métis issues and opportunities

- Supported the Ministry of Education and continued to endorse the Office of the Treaty Commissioner in their efforts to implement mandatory Treaty education and promote the importance of Treaty education in schools and in the broader Saskatchewan population.
- Assisted the Office of the Federal Interlocutor for Métis and Non Status Indians (OFI) with the development of local steering committees in Regina, Saskatoon and Prince Albert to implement the federal Urban Aboriginal Strategy (UAS).

Federal/Provincial/Territorial Relationships

- Participated in the Aboriginal Affairs Working Group created by the Council of the Federation in June 2009, comprised of Provincial/Territorial Ministers of Aboriginal Affairs and the leaders of the five National Aboriginal Organizations. The working group focused on three priorities: education, economic development and violence against Aboriginal women and girls.

Northern People

- Continued to co-chair the Northern Labour Market Committee, bringing together representatives from senior governments, industry and business, First Nations and Métis, the education sector, non-government organizations (NGOs), and other interest groups to collaborate and coordinate actions to address northern labour market training needs, including a range of individual, institutional, and community-based capacity challenges.
- Continued to chair and coordinate the operations of the Northern Mines Monitoring Secretariat which brings together provincial officials with regulatory and developmental functions related to the northern uranium sector, and representation from the Canadian Nuclear Safety Commission, to provide technical support to the operations of the NSEQC.
- Continued to manage the northern community-based NSEQC program with its focus on monitoring the operations and continued development of northern Saskatchewan's uranium industry, and helped to increase awareness of industry opportunities and challenges and related community concerns and priorities.
- Commenced work with northern leaders, communities, NGOs, provincial ministries, the federal government and industry to develop a plan of action to address social and economic issues and opportunities in the north.

Measurement Results:

Developing common measures and indicators that demonstrate strengthened partnerships and relationships is a work in progress. Deliverables, such as MOUs, joint workplans, jointly developed terms of reference, project teams and charters, are outputs which point to success.

2009-10 Financial Overview

Results at a Glance – Summary of Financial Results

The 2009-10 actual financial results are reported on for the period April 1, 2009 – March 31, 2010. The budget for the Ministry was $88.13 million. Actual expenses came in at $86.84 million or $1.29 million less than the original budget.

The under expenditure was a result of the following:

Although an additional $3.5 million in funding was required for the FNT and CDCs as a result of higher audited net casino profits, the Ministry was able to offset the amount with savings in Treaty Land Entitlements, the First Nations and Métis Consultation Capacity Fund, and staff vacancies resulting in an overall savings of $743,000.

FIRST NATIONS AND MÉTIS RELATIONS FINANCIAL OVERVIEW 2009-10 Schedule of Revenue				
Program Subprogram	2009-10 Estimates $000s	2009-10 Actuals $000s	Variances: Over/ (Under) $000	Notes
Revenue				
Loan Interest Revenue	254	138	(116)	1
Refunds – Previous year's Expenditure	2	398	396	2
Recovery of Loan Losses	0	1	1	
Casual Revenue	1	3	2	
Ministry Revenue Total	**257**	**540**	**283**	

Explanations of Major Revenue Variances:

1. Loan portfolio balances were less than anticipated and an increase in doubtful loans resulted in less interest paid.
2. Refund of unused portion of grants from prior years.

2009-10 Financial Overview

FIRST NATIONS AND MÉTIS RELATIONS FINANCIAL OVERVIEW 2009-10 Schedule of Expense					
Program Subprogram	2008-09 Actuals 000s	2009-10 Estimates $000s	2009-10 Actuals $000s	Variances: Over/(Under) $000s	Notes
Central Management and Services (FN01)					
Minister's Salary (statutory)	43	44	44	0	
Executive Management	1,433	1,709	1,536	(173)	(1)
Central Services	742	1,084	993	(91)	
Accommodation Services	627	1,199	734	(465)	(2)
Policy Coordination and Support for Aboriginal Organizations (FN02)					
Policy and Coordination	2,949	1,939	1,814	(125)	(3)
Support for Aboriginal Organizations and Issues	1,530	1,538	1,125	(413)	(4)
First Nations and Métis Consultation Capacity Fund	1,975	3,000	465	(2,535)	(5)
First Nations and Métis Business Development Program	683	750	427	(323)	(6)
Gaming Agreements (FN03)					
First Nations Gaming Agreements	69,081	66,696	70,210	3,514	(7)
Métis Development Fund	2,000	2,000	2,000	0	
Treaty Land Entitlements (FN04)					
Treaty Land Entitlements	2,847	4,885	4,384	(501)	(8)
Northern Economic Programs and Policy					
Regional and Program Services	912	1,398	1,303	(95)	
Northern Development Agreement	50	-	-		
Northern Development Fund	319	217	174	(43)	
NDF – Loan Loss Provision	141	300	189	(111)	(9)
Northern Commercial Fish Transportation Subsidy	260	285	233	(52)	
Northern Enterprise Regions	-	150	279	129	(10)
Northern Industry and Resources Development (FN06)					
Northern Economic and Sector Developments	625	443	538	95	
Northern Mine Monitoring & Community Liaison	158	298	174	(124)	
Northern Saskatchewan Environmental Quality Committee	151	193	220	27	
Appropriation	**86,526**	**88,128**	**86,842**	**(1,286)**	
Amortization (FN07)	-	7	0	(7)	
Capital Asset Acquisition	-	(550)	0	550	(11)
Expense Sub-Total	**86,526**	**87,585**	**86,842**	**(743)**	
Supplementary Estimates and Special Warrant Funding		1,700	-	(1,700)	
Statutory Adjustment		1,200	-	(1,200)	
Ministry Expense Total		**90,485**	**86,842**	**(3,643)**	

2009-10 Financial Overview

The previous table outlines information on actual and budgeted expenses by sub-vote and subprogram. Variance explanations are provided for all variances that are greater than five percent and $100,000.

Explanations of Major Expenditure Variances:

1. Salary expense was lower than estimated due to vacancies during part of the year.
2. Savings due to deferral of renovations at 1855 Victoria Avenue, Regina location.
3. Fewer requests for grants than anticipated.
4. Fewer grants paid out than anticipated.
5. Demand for consultation grants was lower than anticipated partly due to a decrease in resource activity in the province.
6. Savings due to fewer requests for grants.
7. Additional funding provided to the FNT and CDCs as a result of higher audited net casino profits for 2008-09 and revised forecasted casino profits for 2009-10 of the Saskatchewan Indian Gaming Authority (SIGA) and the Saskatchewan Gaming Corporation (SGC) casinos.
8. Two TLE negotiations were expected to be completed but were not.
9. Loan losses are anticipated to be less than estimated.
10. More work was completed with respect to the setting up of Northern Enterprise Regions than was expected.
11. Renovations were deferred due to fiscal constraints.

Third Party

FNMR provided third-party funding for the following purposes in 2009-10:

SUPPORT FOR ABORIGINAL ORGANIZATIONS ($1.77 million)

- First Nation and Métis Consultation Participation Fund: $375,000 FNMR provided support to First Nations and Métis groups to enable participation in government-led consultations on permits, policies and plans that impact their rights and interests.
- First Nations and Métis Business Development Program: $427,000 This program provided financial assistance to support First Nations and Métis business initiatives in growth sectors of the Province's economy. Funding was used to start-up new businesses or expand existing businesses. The program is designed to create more First Nations and Métis businesses and create jobs for First Nations and Métis people.
- Métis Nation – Saskatchewan (MNS): $385,000 The MNS is the representative organization for Saskatchewan Métis people in ongoing relations with the Government of Saskatchewan on issues of mutual interest, such as programs and services, the Government's duty to consult with Métis communities, and Métis Aboriginal rights to hunt and fish.
- Aboriginal Employment Development Program: $341,000 Through the Aboriginal Employment Development (AED) initiative, the Ministry helped to increase employment and training opportunities through partnerships involving First Nations and Métis organizations, unions and public and private sector employers.
- Aboriginal Grants Initiative: $224,000 Provided grants to organizations in support of

preserving, celebrating and promoting First Nations and Métis history and culture, as well as capacity building for First Nations and Métis organizations.

- Federation of Saskatchewan Indian Nations (FSIN): $125,000 This funding supports the Bilateral Protocol signed in 2003 with the FSIN that provides a formal process for consultations between the Premier, Cabinet, and senior provincial officials and the Chief, Vice-Chiefs and FSIN officials on issues of mutual interest.
- Women's Initiative: $70,000 Work done by First Nations and Métis women's groups is important to First Nations and Métis people and the social and economic development of the province as a whole. FNMR provides funding to First Nations and Métis women's organizations for policy development and program initiatives.

GAMING AGREEMENTS ($72.08 million)

- First Nations Trust : $52.20 million in funding was provided to the FNT for the purposes of economic development, social development, justice initiatives, educational development, recreational facilities operation and development, senior and youth programs, cultural development, community infrastructure development and maintenance, health initiatives, governance activities, Treaty protection, and charitable purposes.
- Community Development Corporations: $17.88 million in funding was provided to the CDCs for the purposes of economic development, social development, justice initiatives, educational development, recreational facilities operation and development, senior and youth programs, cultural development, community infrastructure development and maintenance, health initiatives, and charitable purposes. The CDCs that were funded in 2009-10 were:
  - Bear Claw Community Development Incorporated $600,000
  - BATC Community Development Corporation $3.01 million
  - Northern Lights Community Development Corporation $8.37 million
  - Painted Hand Community Development Corporation $1.72 million
  - Dakota Dunes Community Development Corporation $4.18 million

Clarence Campeau Development Fund/Métis Development Fund: $2 million. In accordance with section 25.5 of the *Saskatchewan Gaming Corporation Act*, the Government of Saskatchewan made payments to the CCDF for the purposes of economic development, the achievement of full Métis representation in the provincial economy, to maximize economic opportunity for Métis people, to facilitate business ventures that lead to further employment, and to contribute to the success of Métis people and communities in Saskatchewan.

TREATY LAND ENTITLEMENTS ($4.38 million)

- Treaty Land Entitlement is a process whereby the federal and provincial governments are fulfilling commitments to resolve TLE claims with First Nations. The TLE process exists because many First Nations did not receive the full land entitlement that was promised to them in the Treaties. The Government of Saskatchewan has a constitutional obligation to work in partnership with the Government of Canada and First Nations to provide land, as stipulated in the Natural Resources Transfer Agreement, 1930.

REGIONAL OPERATIONS AND FINANCIAL PROGRAMS IN THE NORTH ($575,000)

- Northern Development Fund: $174,000 for grant program and $168,000 for funding to Regional Development corporations (RDCs). The Northern Development Fund was

established to stimulate and support economic and business development in northern Saskatchewan, and to encourage diversification and job creation. The grant component provides grants for marketing, research and development, organizational development and business skills training, financial support to northern youth entrepreneurs for business skill development, and grants to support northern RDCs.

- Northern Commercial Fish Transportation Subsidy Program: $233,000. Provides financial support for the commercial fishing industry in northern Saskatchewan through two components: a freight subsidy and a price-support mechanism. The freight subsidy helps equalize transportation costs for fishers from different regions throughout the North. The price-support mechanism compensates for reduced market prices or increased operating costs related to the harvest of one species only - mullet (suckers).

For More Information

Additional information about FNMR is available on the Ministry's website, viewable on the internet at **http://www.fnmr.gov.sk.ca**.

The website includes both general and more detailed information about the Ministry, its programs and services, and legislation for which the Ministry is responsible.

For further information about First Nations and Métis Relations or to provide feedback about the Ministry's 2009-10 Annual Report and its performance results, please contact us:

Phone: (306) 787-6250

Email: **webmaster@fnmr.gov.sk.ca**

Mailing Address

First Nations and Métis Relations
1020 1855 Victoria Avenue
REGINA SK S4P 3T2

APPENDIX A – LEGISLATION

The Ministry of First Nations and Métis Relations is responsible for the following legislation:

- *The Indian and Native Affairs Act*
- *The Métis Act*
- *The Saskatchewan Gaming Corporation Act, Parts III* and *III.1*
- *Northern Affairs Act*
- *Northern Saskatchewan Economic Development Act*
- *The Saskatchewan Natural Resources Transfer Agreement (Treaty Land Entitlement) Act*
- *The Treaty Land Entitlement Implementation Act*
- Ministry of First Nations and Métis Relations Regulations (under The *Government Organization Act*)
- Northern Economic Development Regulations (under *The Economic and Development Act*)
- Commercial Fishing Production Incentive Regulations (under *The Natural Resources Act*)

APPENDIX B – LISTING OF ACRONYMS

- **AED** - Aboriginal Employment Development
- **CAPP** – Canadian Association of Petroleum Producers
- **CCDF** - Clarence Campeau Development Fund
- **CDC** - Community Development Corporations
- **CPF** - Consultation Policy Framework
- **EFN** - Entitlement First Nations
- **ER** - Enterprise Regions
- **FNMR** - First Nations and Métis Relations
- **FNT** - First Nations Trust
- **FSIN** - Federation of Saskatchewan Indian Nations
- **FTE** – Full Time Equivalent
- **GFA** - Gaming Framework Agreement
- **MDF** - Métis Development Fund
- **MNS** - Métis Nation – Saskatchewan
- **NAAF** – National Aboriginal Achievement Foundation
- **NDF** - Northern Development Fund
- **NGO** – Non-Government Organizations
- **NSEQC** - Northern Saskatchewan Environmental Quality Committee
- **OFI – INAC** - Office of the Federal Interlocutor – Indian and Northern Affairs Canada
- **OTC** - Office of the Treaty Commissioner
- **PARWC** - Provincial Aboriginal Representative Workforce Council
- **RDCs** - Regional Development Corporations
- **SMA** – Saskatchewan Mining Association
- **TLE** - Treaty Land Entitlement
- **UAS** - Urban Aboriginal Strategy

Appendix C – Organizational Chart (as of March 31, 2010)